

1 THE COURT: Is somebody going to give me the  
2 patent statute? Thank you.

3 I don't know what on earth I did with it.

4 MR. ROBERTSON: I think I just want to add  
5 two constructs to give Your Honor to try to frame the  
6 issue here. The first construct is this. Dr. Shamos  
7 relies on just three things for his opinion. The '989  
8 patent as it existed and was issued, the TV/2  
9 brochure, and the TV/2 general information manual. He  
10 testified under cross-examination those were the only  
11 three things he relied on to form either his  
12 anticipation or obviousness opinions.

13 He didn't rely on the '989, under the RIMS  
14 system, whatever configuration you want to call it at  
15 whatever time, he didn't rely on the TV/2 system,  
16 whatever configuration at whatever time, and he didn't  
17 rely on the RIMS brochure at all. He didn't have  
18 opinions with respect to those three things.

19 So to sit here now and sort of argue what  
20 bucket they fall in under 102(a) or 102(b) I think is  
21 a frolicking detour because there isn't expert  
22 testimony which would permit the jury to conclude that  
23 the RIMS system, for example, whatever version or  
24 iteration was, it could invalidate any claim for  
25 example.

1           The other construct I want to raise is the  
2 testimony was that the RIMS system had many versions  
3 and many variations starting as early as 1989. Would  
4 I concede there was some RIMS system out there? Yes.  
5 But without any specificity as to what features it  
6 actually had, it can't provide the basis under 102(a)  
7 or 102(b) to invalidate the claims because we don't  
8 have that level of specificity.

9           Certainly the RIMS brochure, I would submit,  
10 doesn't have that level of specificity, particularly  
11 when you consider that the Lawson's expert couldn't  
12 even articulate a reasonable basis as to why it would  
13 invalidate any claim and did not do so.

14           MR. McDONALD: Your Honor, I can address  
15 that. The patents-in-suit actually provide the direct  
16 linkage between the description Dr. Shamos relied on  
17 in the patent, the '989 RIMS patent on the one hand,  
18 and the fact that that RIMS system as described in  
19 that patent corresponds to the RIMS system that was  
20 known under 102(a) and in public use and on sale under  
21 102(b).

22           The section of the patents are in, for  
23 example, in the '683 patent, and this language is in  
24 all three of them, but in the paragraph beginning at  
25 line 10 and continuing to line 35 of column 1 of the

1 '683 patent, it specifically links the Fisher RIMS  
2 system "described in U.S. Patent No. 5,712,989."

3 It is that exact system as described. It  
4 describes it as "known requisition purchasing  
5 systems." It's one of the systems that are admitted  
6 in the background section of the patent as known as  
7 of -- from the April 2, '93 filing date.

8 THE COURT: Well, it's known.

9 MR. McDONALD: Yes.

10 THE COURT: But was it known who, to where,  
11 when?

12 MR. McDONALD: We have other evidence that  
13 establishes that, but what this says is that specific  
14 system that Dr. Shamos relied on was known. We've got  
15 the corroborating and other information from the  
16 inventors and relating to the brochure and their time  
17 line that show that that was known and how the RIMS  
18 system was known out there in the '92, '93 time frame.  
19 Ms. O'Loughlin's testimony, as well, about that. But  
20 the patent establishes --

21 THE COURT: Ms. O'Loughlin's doesn't testify  
22 to that. Ms. O'Loughlin's testimony was neigh unto  
23 useless. It basically established that she signed  
24 some things. And then she typically thought she was  
25 signing truthful things. And then they used an

1 application and that some version of the RIMS system  
2 was in effect when she signed that document, which is  
3 the trademark application. And the attached document  
4 is a brochure. That brochure Dr. Shamos didn't lay  
5 any connection to at all. So that is not probative of  
6 when this was in the public domain.

7 If it was a preponderance of the evidence  
8 standard, it might very well be something the jury  
9 could do, but how could you find that by a clear and  
10 convincing evidence when the undisputed evidence from  
11 the inventors is that there never was a system such as  
12 described in the patent, the '989 patent, which what's  
13 his name relied on, Shamos relied on, that everyone  
14 would market anywhere.

15 MR. McDONALD: The testimony --

16 THE COURT: There were versions that did, but  
17 not that one.

18 MR. McDONALD: But when you put their  
19 testimony, and obviously they were bias witnesses  
20 fighting this issue, but that time line doesn't lie.  
21 Mr. Kinross said he put that time line together with  
22 Mr. Momyer looking over his shoulder that shows that  
23 all the features relevant to this case were in that  
24 RIMS system as of 1993. That brochure does certainly  
25 corroborate and bolster that information. That's a

1 document Mr. Momyer picked a couple of things where he  
2 said, Well, we didn't have all the interfaces  
3 developed yet, but he had very little that he said in  
4 there that actually was not representative of the  
5 system as described in that brochure.

6 We're entitled to that same inference that  
7 ePlus has been trying to draw in this case, which is  
8 when Fisher came out with some documents distributed  
9 into the public, distributed to the U.S. Patent and  
10 Trademark Office, and representing the use of that  
11 Fisher RIMS trademark in commerce, that that document  
12 is a truthful and accurate document. The testimony  
13 from the inventors was that it was put together --

14 THE COURT: What system is it? That's the  
15 point. What system is it that's the truthful document  
16 to which you are entitled to an inference on? I think  
17 you're entitled to an inference that a publicly filed  
18 document is truthful, but it doesn't refer to the  
19 patent.

20 MR. McDONALD: It's April of '93 is when it  
21 was filed.

22 THE COURT: Wait a minute, Mr. McDonald. You  
23 have to stop trying to put something else into the  
24 equation and answer what I'm asking you because I'm  
25 trying to get to a resolution of this.

1           There's no evidence as to what system was  
2       being described in that trademark application, is  
3       there? What date?

4           MR. McDONALD: Absolutely, Your Honor.

5           THE COURT: Just tell me who did it. Don't  
6       be larding up with yeah, there is. Tell me who did it  
7       and what did he or she say.

8           MR. McDONALD: We have the trademark brochure  
9       itself was represented as accurate information with  
10      respect to its ability to generate requisitions.

11          THE COURT: Just a minute. What is the date?

12          MR. McDONALD: Pardon?

13          THE COURT: It wasn't dated.

14          MR. McDONALD: It had a date stamp on it at  
15      the Trademark Office of April of '93.

16          THE COURT: That's the date it was in the  
17      Trademark Office. It wasn't dated.

18          MR. McDONALD: Well, that's right, but that  
19      certainly establishes that it was in existence in  
20      April of '93, which is more than one year before the  
21      filing date of the patent-in-suit and it represented  
22      to the Trademark Office as an example proof of use of  
23      the trademark in commerce by that date. So we do have  
24      that date very well established.

25          THE COURT: That's use of the trademark in

1 commerce, not the system.

2 MR. McDONALD: Well, the trademark  
3 application specifically says the trademark is used  
4 with a computer system. There was --

5 THE COURT: Of a computer system. Not the  
6 one in the patent.

7 MR. ROBERTSON: Your Honor, can I just read  
8 the cross-examination of Dr. Shamos? It's right on  
9 point here.

10 Question: And you're aware that the RIMS  
11 system starting perhaps the late '80s all the way up  
12 to the year 2000 went through many iterations,  
13 correct, many different versions?

14 Yes.

15 Which version are you relying on when you're  
16 rendering your opinions?

17 Answer: That described the '989 patent.

18 Question: So it's only confined to the '989  
19 patent, right? You're not relying on and you didn't  
20 offer any testimony with respect to any versions that  
21 were in commercial use between the late '90s and 1994,  
22 for example, right?

23 Answer: I don't have personal knowledge, but  
24 there was testimony that the '989 patent fairly  
25 described the actual RIMS system as it was

1 distributed.

2 Question: There was also testimony from the  
3 inventors in their deposition that many of the  
4 functionalities of the '989 patent never implemented.  
5 Do you recall reviewing that?

6 Yes.

7 So what you're relying on when you're  
8 offering your opinions, though, is just the '989  
9 patent; isn't that right?

10 MR. McDONALD: We're not disputing that that  
11 --

12 MR. ROBERTSON: I'm sorry, no. Did you point  
13 to any other versions or produce any other  
14 documentation of a technical nature of the RIMS system  
15 as being used between 1989 and 2000?

16 No, I didn't personally because, as I said, I  
17 don't have personal knowledge of the RIMS system as  
18 distributed.

19 Would it be fair to say that the inventors  
20 have personal knowledge of the RIMS system because  
21 they worked on it, right?

22 I don't know what knowledge they have. I  
23 know what they said.

24 Well, you know that Mr. Momyer and  
25 Mr. Johnson are actually inventors of the '989 patent,

1 correct?

2 Yes.

3 And I then went on to ask him about whether  
4 they would be in a better position to understand  
5 what's in the patent. And, of course, he didn't agree  
6 with me on that. But he certainly didn't have any  
7 knowledge of any of the versions and disclaimed  
8 relying on any of the versions and only relied on the  
9 '989 patent.

10 THE COURT: So your point is that because he  
11 didn't, this evidence that they are arguing about is  
12 irrelevant?

13 MR. ROBERTSON: Twofold. One, there's nobody  
14 to testify that whatever system was in effect between  
15 1989, let's say, and 1994 invalidates any claim  
16 because the expert didn't do it.

17 And No. 2, there's no evidence in the record  
18 with specific specificity to show what the features  
19 are of these unnamed versions or iterations that  
20 existed during that time period to be able to show by  
21 clear and convincing evidence that a jury could rely  
22 on under *Anderson v. Liberty Lobby*, and could come  
23 back with a conclusion as to a finding on that basis.

24 THE COURT: And that sends the '172, Claim  
25 One, invalidity case out the door.

1 MR. ROBERTSON: I would suggest that or else  
2 I would suggest it doesn't permit the jury to consider  
3 some unspecified '989 system or RIMS system as an  
4 invalidating prior public use or on sale device.

5 THE COURT: So it results in JMOL on all  
6 claims of all patents instead of the way it was  
7 presented to me was that it was a '172, Claim One,  
8 issue. Now, I think you're broadening it to try to  
9 reach all of the claims, and it was never argued that  
10 way.

11 MR. ROBERTSON: No, sir.

12 THE COURT: So you're arguing it only with  
13 respect to '172, Claim One?

14 MR. ROBERTSON: Yes, sir. But I am arguing  
15 that an unspecified RIMS system without any expert  
16 testimony to offer to the jury that this unspecified  
17 system invalidated any claim can't go to the jury.  
18 Similarly, just while we're on the topic --

19 THE COURT: Well, that relates to all the  
20 claims.

21 MR. ROBERTSON: Just for on sale or prior  
22 public use. But the '989 patent still can be  
23 considered as prior art for the '683 patent and the  
24 '516 patent for anticipation and obviousness based on  
25 that and the 2 TV/2 brochures.

1           THE COURT: So your theory is that what takes  
2   102(a) out of the case for '172, Claim One, also takes  
3   the 102(a) out of the case for the other claims as  
4   well; is that right?

5           MR. ROBERTSON: Yes, I'm being told.

6           MS. ALBERT: We're saying they have no right  
7   to submit to the jury any theory under 102(a) or  
8   102(b) whatsoever. Their only theory for anticipation  
9   would be strictly under 102(e) as to the '989 patent.

10          THE COURT: And they can't do that because of  
11   the commonality of assignment provision.

12          MR. ROBERTSON: But that is only for Claim  
13   One of the '172 patent.

14          MS. ALBERT: No.

15          THE COURT: You're asking for JMOL  
16   unarticulated on everything. Do you see what you've  
17   done? And you didn't actually present it that way.

18          MS. ALBERT: That's true, yes.

19          THE COURT: Well, isn't that the consequence?

20          MS. ALBERT: Yes.

21          THE COURT: What you said in the argument,  
22   and I have a big Post-it on here, relates to Claim  
23   One, '172 patent, on this whole 103, 102(a), (b) and  
24   (e) issue.

25          MS. ALBERT: So the 102(a) and B issues go to

1 all claims.

2 So, Your Honor, we're saying that there is no  
3 theory that could be sent to the jury under Section  
4 102(a) or 102(b) because there has been no evidence  
5 offered of any RIMS system that existed prior to 1994  
6 that was in public use or on sale. We just don't know  
7 which specific version at what particular time having  
8 what particular features they would rely on.

9 THE COURT: And in order to anticipate, the  
10 single reference has to hit every element of every  
11 claim.

12 MS. ALBERT: Right. So we're saying they  
13 couldn't have no theory under 102(a) or 102(b) to go  
14 to the jury. Then as to this 103(c), that only  
15 applies to Claim One of the '172.

16 Well, the 102(e), our JMOL this morning would  
17 apply to all of the asserted claims because the '989  
18 patent has been offered as an anticipatory prior art  
19 reference against all of the claims. And if it's a  
20 102(e) reference, then we're saying it's not an  
21 invention by none.

22 MR. McDONALD: Your Honor, there is further  
23 evidence that contradicts what ePlus --

24 THE COURT: Just one minute, if you would,  
25 please.

1 But if the only reference is 102(e), then by  
2 another means, according to Ms. Stoll-DeBell in  
3 102(e), that it has to be virtual identity of others,  
4 right? In other words, is that where your another  
5 argument comes in?

6 MR. McDONALD: That's right. If we're only  
7 going in on 102 anticipation, as opposed to  
8 obviousness, that's when this issue comes up. And  
9 there is certainly evidence to show because that Claim  
10 One of the '172, that's the one that doesn't even have  
11 the catalogs in it. So there is substantial evidence  
12 to show that RIMS system did have a sort of database  
13 and other features that would anticipate that specific  
14 claim all by itself. There is anticipation.

15 Moreover, on this issue of the RIMS system  
16 changing, because I think we're showing that the  
17 system was in the marketplace on sale in '92 or early  
18 '93. The question was raised, Well, yes, but what  
19 version was it?

20 We did get evidence out of the one of the  
21 inventors, he had to admit that the RIMS system, he  
22 testified under oath, was pretty much "wrapped up" by  
23 1991.

24 This was also corroborated by the time line  
25 that shows all the key features that would be related

1 to satisfying the elements of Claim One of the '172  
2 patent were in the RIMS system prior to 1993.

3 I understand ePlus can argue all about  
4 changes they say were made, but these reluctant  
5 inventors still had to admit through that time line  
6 and that testimony about the system being wrapped up  
7 that there was some firmness to what was in existence  
8 by April of '93. It was a RIMS system that had the  
9 key features that were relevant to the claims.

10 THE COURT: Where is the Kinross comment?  
11 I've got it. It's Exhibit DX 402.

12 MS. ALBERT: Your Honor, there hasn't --

13 THE COURT: What do you say about this?

14 MS. ALBERT: There hasn't been any expert  
15 testimony to apply that time line on a claim by claim,  
16 element by element basis under the rigorous analysis  
17 that's required to prove anticipation. Nobody  
18 performed that analysis.

19 MR. McDONALD: That's not --

20 MR. ROBERTSON: The bottom line, Your Honor,  
21 if Dr. Shamos didn't take this system, whatever it is,  
22 and maybe he did agree that it has some level of  
23 detail, and tell the jury why it invalidates, isn't  
24 that the end of the inquiry? Because he didn't do  
25 that on the RIMS system. He didn't do that on what

1 they are going to argue was a TV/2 system in  
2 existence. And he didn't do it on the RIMS brochure.

3 So we just can't send something to the jury  
4 where there was no expert opinion to show how it  
5 anticipated or rendered obvious every element of all  
6 the claims in suit.

7 MR. McDONALD: I think they're putting more  
8 on Dr. Shamos' shoulders than he needs to have. He  
9 compared the claims to the description of the RIMS  
10 system in the April '93 filing for patent. Other  
11 evidence establishes that that same product as  
12 described in that filing was on sale. Dr. Shamos  
13 doesn't have to provide that evidence in order for the  
14 jury to find that it's also prior art for those other  
15 reasons.

16 This time line establishes along with the  
17 testimony of the system being wrapped up and the RIMS  
18 brochure that describes these many key features that  
19 are relevant to the claim elements. This other  
20 evidence establishes the facts that the RIMS system  
21 was on sale, was in public use, was known in the  
22 marketplace in ways that would make it prior art under  
23 102(a) and (b).

24 MS. ALBERT: I don't think the post fact time  
25 line of Mr. Kinross establishes a clear and convincing

3000

1 evidence that any system had those features. As he  
2 testified, he made that time line sometime in like  
3 2005 without any documents to corroborate it. And  
4 this was just based on his memory 20 years later.

5 MR. McDONALD: These are adverse witnesses  
6 that had every incentive to do what ePlus is trying to  
7 do today, which is to try to muck up the evidence of  
8 when RIMS had features and things came in later. But  
9 even so, these biased witnesses that are aligned with  
10 ePlus put together this time line admitting that it  
11 had all of these features that you see going back to  
12 1989 to 1992. So this is very powerful evidence, Your  
13 Honor, that should be able to go to the jury on these  
14 features.

15 MR. ROBERTSON: But there's no expert  
16 evidence saying whatever is here renders every element  
17 of the claim invalid. You would think if this was  
18 powerful evidence, Dr. Shamos would have taken it and  
19 said, Yes, I also relied on Mr. Kinross' time line,  
20 and let me tell you why each and every element of the  
21 claims is satisfied by this document, the RIMS  
22 brochure, or any other evidence he has to some  
23 commercial use or embodiment of the system. He didn't  
24 do it.

25 I would submit he didn't do it because he

1 couldn't do it, which is essentially what he admitted  
2 in his cross-examination.

3 THE COURT: What did Ms. Eng say about the  
4 development of the TV/2 interface? If I recall  
5 correctly, she said quite clearly that they started to  
6 work and that whole project wasn't even complete until  
7 1995 after she left.

8 MR. McDONALD: That's a different issue.

9 THE COURT: No, it isn't, and I'll tell you  
10 why it isn't. Because on Kinross, for example, 1993,  
11 it says developed TV interface. What it is is that's  
12 when it started, but you-all have convincingly proved  
13 that it may have started in 1993, but it wasn't ready  
14 until 1995. So this evidence is not probative at all  
15 of whether this was out in the public domain or was on  
16 sale one year beforehand, that it was out in the  
17 public domain before August of '94 or on sale one year  
18 before, in April of '93.

19 So, I mean, it seems to me that this  
20 document, the Kinross document, which has some  
21 probative value has been utterly gutted by the  
22 testimony of your own witness Ms. Eng.

23 MR. McDONALD: Your Honor --

24 THE COURT: She is your consultant and she  
25 and Gounaris blew that theory right out of the water.

1 MR. McDONALD: Well, I think this is  
2 consistent with that, but the point is --

3 THE COURT: How is it consistent with that?  
4 Ms. Eng and Mr. Gounaris said what was done at IBM  
5 with the TV/2 interface wasn't finished until 1995.  
6 How is it consistent with this time line prepared  
7 years after the fact where they thought that the TV/2  
8 interface was developed?

9 MR. McDONALD: That was the final  
10 development. They did also testified that at the very  
11 beginning of the project they did a prototype to  
12 demonstrate all the features were workable in an  
13 embodiment of a product.

14 THE COURT: It didn't work.

15 MR. McDONALD: It did work. They had one  
16 with a few pages of the catalog. It wasn't the full  
17 thing, but it did work.

18 THE COURT: What they did is had some slides.  
19 They didn't have anything that worked.

20 MR. McDONALD: The first phase of their  
21 interaction between Fisher and IBM was to put together  
22 a smaller version of a demonstration model that showed  
23 a few pages.

24 THE COURT: I know you tried like the dickens  
25 to get her to call it a demonstration and model, and

1 all it was was a bunch of pictures. That's all it  
2 was.

3 MR. McDONALD: That's different testimony,  
4 Your Honor. We're taking about two different things.

5 THE COURT: No, we're not. We're talking  
6 about the exact --

7 MR. McDONALD: Again, this goes to the weight  
8 and credibility of the evidence.

9 THE COURT: No, it doesn't. The question is:  
10 In deciding whether or not there's clear and  
11 convincing evidence, you don't judge the credibility  
12 of the evidence, but you look at the evidence to see  
13 whether in the aggregate a jury could look at that  
14 evidence and conclude firmly a proposition in this  
15 proposition that the patent was invalid under the  
16 theories being offered. And that is what you do. And  
17 that's not the same thing as weighing the evidence.  
18 It's assessing what it is that the evidence construed  
19 in your favor could do.

20 MR. McDONALD: Right. And with that April  
21 '93 patent filing, the jury has every right to  
22 conclude through their common sense and just applying  
23 what people do in that they filed the patent  
24 application based on the RIMS system as it existed in  
25 April of '93, as it was being offered for sale.

1           That would be the logical thing to do. And  
2 the jury could put that into the equation as well here  
3 and weigh all the evidence. That April '93 filing  
4 would be logically the most relevant description of  
5 the product as it existed one year and four months  
6 before the patents in this suit were even filed.

7           THE COURT: But if you don't have an expert  
8 that does anything with any of these on sale issues  
9 given the complexity of the system, what difference  
10 does it make?

11           MR. McDONALD: Well, the expert went through  
12 detailed description of the RIMS system that the  
13 patent itself links to being a known requisition  
14 system, and the same timing as the trademark  
15 application. He doesn't have to give them all the  
16 different types of prior art in order for the jury to  
17 look at the other evidence of the sale and use and  
18 public knowledge aspects of the RIMS evidence and say,  
19 Yes, it's all the same system. Of course, they did it  
20 at the same time. If you take that snapshot in  
21 April of '93, there's no evidence they had a lot of  
22 different RIMS systems floating around at any given  
23 moment.

24           The April '93 RIMS system is the April '93  
25 RIMS system for all purposes.

1 THE COURT: The evidence, and it's not  
2 disputed as far as I know, is that from the time it  
3 was developed until the time the application was filed  
4 that it was changed, and it went through something  
5 like 40 iterations. And that's not disputed. And  
6 then in addition to that, the inventors testified that  
7 there never was a system implemented at anytime that  
8 did all of what was in that patent.

9 Now, is there any evidence to contradict  
10 either one of those statements?

11 MR. McDONALD: Well, that's very general  
12 testimony, Your Honor.

13 THE COURT: I understand that, but I'm asking  
14 you general or specific, is there anything to respond  
15 to that?

16 MR. McDONALD: Well, I think that testimony  
17 to some extent is contradicted by the RIMS brochure  
18 that they distributed in the public. They are in  
19 conflict. Their testimony to some extent is in  
20 conflict with what the Fisher company was representing  
21 publicly were the capabilities of that system. So,  
22 yes, there is a conflict in the evidence of that.

23 THE COURT: And it comes from the Fisher  
24 brochure.

25 MR. McDONALD: Yes. They testified that some

1 of the features -- oh, we didn't do that. Well, the  
2 brochure represented that it does do that. So there's  
3 a conflict right there. Some of their testimony is in  
4 conflict with the time line here. And also I think  
5 it's in conflict with just the logic here that if they  
6 were really making a bunch of changes to the Fisher  
7 RIMS system after April of '93, why do all the patents  
8 in this suit filed not until August of '94 only rely  
9 on that description that's one year and four months  
10 old? Why wouldn't they have given an undated  
11 description using whatever version of RIMS had changed  
12 between April of '93?

13 THE COURT: There's no evidence in the case  
14 that addressed that issue.

15 That's really a specialized topic about  
16 whether you change what's in an application and update  
17 it.

18 MR. McDONALD: This is a new application.

19 THE COURT: You proved that yourself.

20 All right. Let me resolve this. I'm going  
21 to hold in abeyance ePlus' motions for JMOL on the  
22 issue of invalidity on all scores on this.

23 I'm going to deny the motion of Lawson for  
24 JMOL on the invalidity issues. And I'm going to send  
25 the invalidity issues to the jury.

1           If I were deciding the case, I would find  
2   that there is no clear and convincing evidence to  
3   prove any component of validity, but there are factual  
4   discrepancies that a jury needs to resolve. And when  
5   we have a complete record, a verdict comes out the  
6   wrong way for somebody, I'm sure we'll have, for  
7   ePlus, we'll have a motion on that.

8           If, as I expect, the jury returns a verdict  
9   in favor of ePlus on these issues, then I won't have  
10  to deal with the JMOL, but I have reserved it.

11          What do we do here with this instruction?  
12  Let's get back to the instructions.

13          MS. STOLL-DeBELL: Your Honor, we would ask  
14  under Rule 37 that they be precluded from making this  
15  argument that we can't assert obviousness for Claim  
16  One of the '172 patent because they did not assert  
17  that in their interrogatory responses.

18          THE COURT: But you allowed them to put it  
19  into the final pretrial order without objection, and I  
20  have to show -- I don't apply the Rule 37 test to  
21  something that's in that order, do I?

22          MS. STOLL-DeBELL: Your Honor, that was their  
23  portion of the pretrial order. We had P.O. Writer  
24  plus J-CON in the final pretrial, and we were still  
25  precluded there. Their section of the pretrial order,

1 we had no control over it, and it was not a joint  
2 section, and they didn't put it in their interrogatory  
3 responses.

4 MS. ALBERT: Your Honor, we did raise the  
5 103(c)(1) issue in our opposition to Lawson's motion  
6 for summary judgment of invalidity on obviousness back  
7 whenever that was filed in June.

8 MS. STOLL-DeBELL: That was after discovery  
9 closed. It didn't relieve them of their obligation to  
10 disclose their theories in their contention  
11 interrogatories. We've been held very firmly to that  
12 obligation in this case, and we have been precluded  
13 from theories that we raised in the pretrial order,  
14 and they should be held up to the same standard.

15 If that was their theory, it needed to go in  
16 their interrogatories responses. It wasn't there and  
17 they should be precluded.

18 We went all the way through this trial, Your  
19 Honor, and they didn't bring it up once. It wasn't in  
20 their jury instructions. They asked their expert --

21 THE COURT: I'll take care of that later if  
22 it comes to pass that I need to take care of it.

23 MS. ALBERT: It would not have been in a jury  
24 instruction because it's a pure matter of law.

25 THE COURT: It's a matter of law anyway.

1 MS. STOLL-DeBELL: They put them in their  
2 jury instructions now for the first time.

3 THE COURT: All right. Let's go. We're on  
4 29. And we take that out at the bottom. What else?

5 MR. ROBERTSON: Yes, Your Honor. So we  
6 agreed to take out line 3 on 29.

7 THE COURT: No, you have agreed to take out  
8 all of paragraph 3.

9 MR. ROBERTSON: I'm sorry, yes.

10 THE COURT: And the word "and" and put a  
11 period after the word "art" on 29.

12 MR. ROBERTSON: Yes, sir. And we need to --

13 MR. CARR: The issue, Your Honor, is whether  
14 '172 should be included in that list of patents that  
15 is in No. 2. That's the issue.

16 MR. ROBERTSON: It's agnostic as to any  
17 patent right now.

18 THE COURT: There's nothing in there.

19 MR. McDONALD: So do we agree that the "of  
20 the '683 and '516 patents" should come out?

21 MR. ROBERTSON: I'm looking at the Court's  
22 instruction. So if you go back to the Court's  
23 instruction, it doesn't specify any patents. So we're  
24 agreeing to the Court's construction as we understand  
25 the Court's ruling.

1 MS. STOLL-DeBELL: Okay.

2 THE COURT: Everybody agree that that's the  
3 right instruction given the reservations?

4 Is there an objection to 30? Or what's the  
5 next one to which there is an objection?

6 MR. ROBERTSON: So --

7 THE COURT: Do you have an objection to 30?

8 MR. ROBERTSON: Yes, sir.

9 THE COURT: What is it?

10 MR. ROBERTSON: No. 2 we think should come  
11 out because there's no patent at issue more than one  
12 year before the filing date of the patent or before  
13 the invention was made.

14 MR. McDONALD: We would agree with that.

15 THE COURT: Yes. It should be -- wait a  
16 minute. The whole 2 comes out, doesn't it?

17 MR. ROBERTSON: Yes, sir.

18 MR. McDONALD: That's right.

19 THE COURT: Right. And then --

20 MR. ROBERTSON: And I guess the rest can stay  
21 the same in light of your ruling, Your Honor.

22 THE COURT: And then you renumber these  
23 things. Does everybody agree?

24 MR. McDONALD: Agreed.

25 THE COURT: All right.

1 MR. ROBERTSON: I'm sorry, Your Honor. I'm  
2 reminded at one point we'd like to come to agreement.  
3 I think we did on the break as to what prior art can  
4 be considered either for on sale, public use, the  
5 patents or what not, and I think the list that we had  
6 and we're going to propose an instruction would be  
7 that the '989 patent, which Dr. Shamos did testify,  
8 the TV/2 brochure, which Dr. Shamos did testify, the  
9 TV/2 general information manual, and then now there's  
10 this RIMS system, TV/2 system, and RIMS brochure.  
11 Those latter three we disagree have a level of  
12 specificity necessary for the jury --

13 THE COURT: No, because they have insisted  
14 it's as described in the '989. So it's the RIMS  
15 system and the TV/2 system as described in the '989.

16 MR. ROBERTSON: Well --

17 THE COURT: That's it.

18 MR. ROBERTSON: All right.

19 THE COURT: That's their argument. And  
20 that's the limit on it. So the jury will never know  
21 what RIMS system there is if there are 40 different  
22 versions of it and we don't tell them.

23 MR. McDONALD: Just to be clear, the type of  
24 prior art it could be, though, with RIMS system could  
25 be on sale, public use --

1 THE COURT: That's irrelevant to what I'm  
2 talking about. The identity of the prior art is the  
3 patent of the '989 patent, the RIMS system, and the  
4 TV/2 system as described therein in those two  
5 brochures. And then --

6 MR. McDONALD: The TV/2 system is not  
7 described in the RIMS patent. It's just the RIMS  
8 system --

9 THE COURT: The TV/2 system is described some  
10 in there. It's not described in the detail that RIMS  
11 --

12 MR. ROBERTSON: I think we agree that it's  
13 the TV/2 system that's described in the two brochures.

14 THE COURT: In the brochures?

15 MS. STOLL-DeBELL: Yes.

16 THE COURT: What I'm saying is you do  
17 describe it in the patent because you incorporate  
18 those two brochures in the --

19 MR. ROBERTSON: Not in the '989.

20 THE COURT: Not in the '989.

21 MR. McDONALD: It's very confusing to have  
22 the one patent in the other patent.

23 MR. ROBERTSON: Let me just make clear for  
24 the record, though, I agree that's what they are  
25 proposing. I didn't want to suggest that we were

1 agreeing that ePlus agrees that those three pieces of  
2 those three systems or brochure are prior art.

3 MR. McDONALD: But there's TV/2 literature,  
4 the two pieces of literature we agree on, the RIMS  
5 patent we agree on. We also assert that the RIMS  
6 brochure is prior art evidence.

7 THE COURT: What's the RIMS brochure?

8 MR. McDONALD: What is it?

9 THE COURT: Which RIMS brochure?

10 MR. ROBERTSON: The advertiser's brochure  
11 attached to the trademark application, Your Honor,  
12 that Ms. O'Loughlin testified to.

13 THE COURT: That's different than the RIMS  
14 brochure that's referred to in the patent or the same  
15 one?

16 MR. McDONALD: There is no RIMS brochure  
17 referred to. There's a Technical Viewer/2 system  
18 that's referred to.

19 THE COURT: TV/2, okay.

20 MR. McDONALD: But the RIMS brochure is DX  
21 61, and also in the file it's DX 62. It's the  
22 identical brochure. So it's just one RIMS brochure.  
23 That's evidence.

24 There's also the testimony about the RIMS  
25 system being on sale.

1           THE COURT: I'm not going to tell them about  
2 that.

3           MR. McDONALD: Well, we're entitled to have  
4 them know that it was on sale because that's  
5 additional kind of prior art.

6           THE COURT: Whether it was on sale is a fact  
7 issue, and I would find that it wasn't on sale. A  
8 reasonable juror, I think, would find that it wasn't  
9 on sale. So I'm not going to tell them that it was on  
10 sale because that's their province, isn't it?

11          MR. McDONALD: Well, it's a fact issue is  
12 what I'm saying for the jury?

13          THE COURT: Whether it's on sale is a fact  
14 issue.

15          MR. McDONALD: Right. But we're saying  
16 that's one of our contentions. I think we're trying  
17 to get a list of what's being contended here.

18          MR. ROBERTSON: I regret to tell Your Honor I  
19 may have misspoke on this RIMS brochure because Dr.  
20 Shamos didn't offer testimony about it, so we didn't  
21 offer rebuttal testimony that it would, in fact, not  
22 invalidate. So we're in disagreement.

23          THE COURT: Leave this alone. I'm not going  
24 to deal with this right now. Let's get on to what we  
25 have got on the table. You'll have to deal with that

1 later.

2 All right. What's the next objection on the  
3 instructions you were given?

4 MR. ROBERTSON: I'm sorry, before we get to  
5 32, I think 31, Your Honor, we wanted to insert the  
6 one patent that's alleged to be anticipated. In this  
7 case, Lawson can contend that each of the claims of  
8 ePlus patents are anticipated by, and we wanted to put  
9 in the '989 patent.

10 THE COURT: Do you object to that?

11 MR. McDONALD: We don't object to adding  
12 that. We just think that the additional description  
13 of the RIMS system should also be listed as  
14 anticipation.

15 MR. ROBERTSON: We'd object to that.

16 MR. McDONALD: That's what you said we're  
17 going to move on from that.

18 THE COURT: I'm not going to deal with that  
19 now. What I'll do is at the point -- you-all are  
20 going to have to work out how to deal with this or I'm  
21 going to have to decide it, and I'll just say the  
22 people contend that the prior art is such and such.  
23 And you have to decide what the prior art is.

24 The people that contend that the anticipating  
25 is, and you'll have to decide whether it anticipates.

1 And I'll do that in a separate instruction, and I  
2 don't need to modify these to do that. So you-all  
3 need to prepare that list and help me see, each of  
4 you, what your contentions are on those points.

5 So any 32?

6 MR. ROBERTSON: No, sir.

7 MS. STOLL-DeBELL: Actually, on 32, Your  
8 Honor, I think we'd like to say in the second line,  
9 Lawson contends that all the claims of ePlus' patents  
10 were anticipated and/or rendered obvious. So as it  
11 was originally drafted, I think it just said  
12 anticipated, and then I added "rendered obvious," but  
13 it really should be "anticipated and/or rendered  
14 obvious," to make it less confusing.

15 THE COURT: You took out "rendered obvious"  
16 in your instruction on this. You took out  
17 "anticipated" and put in --

18 MS. STOLL-DeBELL: I know. That was a  
19 mistake, Your Honor.

20 THE COURT: All right.

21 MR. ROBERTSON: Your Honor, there's a  
22 separate instruction on obviousness.

23 THE COURT: Yeah. I don't think that we're  
24 going to do that. I'm trying to keep this in a discrete  
25 breakout for this jury to understand, and all it

1 does -- quite using the jury -- let me tell you. I'm  
2 not using instructions to lard it up. And I'm now at  
3 the point where if I find that what you're doing is  
4 trying to lard it up, I'm just going to go throw it  
5 out because the obligation here is to give them a  
6 correct and reasonable instruction.

7 I already have instructions later on  
8 obviousness. And that's what we're going to do.

9 MS. STOLL-DeBELL: Okay.

10 THE COURT: We're not going to add it  
11 together. That's confusing and causes problems. So  
12 any objections to 32? I'll get to obviousness later.

13 MR. ROBERTSON: No objection, Your Honor.

14 THE COURT: None other than wanting to put in  
15 anticipated and obvious; is that right?

16 MR. McDONALD: And/or obvious.

17 THE COURT: And or, yes.

18 Prior public use.

19 MR. ROBERTSON: The same issue, Your Honor.

20 THE COURT: What's the same issue?

21 MR. ROBERTSON: We want to enter "and/or  
22 rendered obvious."

23 THE COURT: Well, I'm not going to do that.  
24 I'm going to deal with obviousness in other  
25 instructions.

1 MR. McDONALD: Understood. We want the same  
2 thing, but we understand the answer is the same.

3 There is at the bottom of that page, this is  
4 some language we had proposed to have eliminated when  
5 we were discussing with Mr. Robertson before. He said  
6 he would think about it. Do you have an answer?

7 MS. STOLL-DeBELL: We didn't think  
8 experimental use was really an issue in this case.

9 MR. McDONALD: It would be very confusing for  
10 the jury to hear about experimental use.

11 MR. ROBERTSON: I'll agree to strike it, Your  
12 Honor.

13 THE COURT: Experimental use or determine if  
14 it was capable of performing its intended use?

15 MR. McDONALD: The whole last sentence that  
16 begins with the word "if."

17 THE COURT: I know, but there's more than  
18 just experimental use in there, and I thought this was  
19 in simply because of what went on over at the IBM and  
20 whatever you call it, the IBM project. That's what  
21 they were doing, it seems to me.

22 MR. McDONALD: This relates to there's a very  
23 discrete exception to on sale, which is experimental  
24 use, and there's no evidence on it.

25 MR. ROBERTSON: I actually made a note in the

1 margin about TV/2, Your Honor. So let me press and  
2 say we'd like to keep that language in.

3 MR. McDONALD: Moreover, that's a specific  
4 affirmative thing that should have been disclosed in  
5 their interrogatories. They never disclosed an  
6 experimental use exception to the on sale. So it  
7 should not come in for that reason as well.

8 MR. ROBERTSON: This was their burden. They  
9 put on a witness. We cross-examined. I thought we  
10 established these facts. I can't tell you what their  
11 witness is going to say before they get on the witness  
12 stand. And we dealt with it as we did with Ms. Eng  
13 and Mr. Gounaris.

14 THE COURT: Did you ask them an interrogatory  
15 that said, Tell us what your contentions are as to  
16 this in response to our contention of on sale bar?

17 MR. McDONALD: Yes, we presented the on sale  
18 bar as one of the reasons for invalidity. We asked  
19 for their contentions in response to that.

20 THE COURT: What did they say?

21 MR. McDONALD: They didn't say anything about  
22 experimental use.

23 MR. ROBERTSON: I didn't know -- they didn't  
24 tell us the facts about TV/2. All they said is we're  
25 going to rely on TV/2. And it was the brochures that

1 were identified. So now they brought a witness live  
2 and they testified and we elicited that there's been  
3 experimental use.

4 MR. McDONALD: Ms. Eng, I think, has met  
5 Mr. Robertson more than once before, about five years  
6 ago. I don't think he can say anything she had to say  
7 was a surprise.

8 MR. ROBERTSON: She was your consultant. I  
9 couldn't talk to her. I could only depose her.

10 MR. McDONALD: You could have talked to her.

11 MR. ROBERTSON: I don't think ethically I  
12 could have once you identified her as a consultant.  
13 But let's move forward. I think it's appropriate we  
14 have this last sentence in here. I think it was from  
15 a standard instruction, and it's an accurate statement  
16 of the law.

17 THE COURT: Well, unless you-all show me  
18 something that knocks it out because of a failure to  
19 provide discovery -- I think what happened here is  
20 that the issue became framed far differently after  
21 discovery and in the trial and in the pretrial order.  
22 And you-all basically preserved all this in the  
23 pretrial order. And I don't know that this is an  
24 instance where the discovery actually called for this  
25 given the framing of the issues at that time.

1           MR. McDONALD: Your Honor, referring to the  
2 pretrial order, there's no reference at all to  
3 experimental use in the pretrial order.

4           THE COURT: No. You preserved the issue of  
5 on sale bar, and then it became crystalized at the  
6 trial.

7           MR. McDONALD: I think experimental use has  
8 to be --

9           THE COURT: I'll let you-all research it and  
10 brief it. These are things you could have raised a  
11 long time ago. You didn't. And I'm not going to have  
12 them raised here. I have to go back and check every  
13 piece of paper in order to make it. And I have found  
14 that when I've checked paper based on assertions, the  
15 partner doesn't also bear out the assertions in this  
16 case. And I've had that on both sides. I'm not  
17 levying blame on one side or the other. But I can't  
18 make these decisions without having the evidence and  
19 I'm not going to.

20           MR. ROBERTSON: Just so it's clear on the  
21 record, Your Honor, I understand Your Honor's earlier  
22 ruling. Our position is there shouldn't be any prior  
23 public use instruction, but I understand the Court's  
24 ruling. I just don't want my acquiescence in this to  
25 suggest that --

1 THE COURT: Do you think that anybody who  
2 reads this record would believe that you ever  
3 acquiesced in anything?

4 Okay. 34. There are no objections to 34?

5 MR. ROBERTSON: On 34, Your Honor, there is  
6 public use or knowledge in there, but I understand the  
7 Court's ruling, and given the Court's ruling, we had  
8 some suggested language, but we will now withdraw that  
9 understanding it's over our objection.

10 THE COURT: 35.

11 MR. McDONALD: 35, Your Honor, I think there  
12 was just on line 3, let's start there. The  
13 "inventors," I think that word should be "inventions."

14 THE COURT: It's there.

15 MR. McDONALD: That's already been corrected.

16 THE COURT: The first thing is they talk  
17 about anticipated.

18 MR. McDONALD: Right. We would repeat our  
19 request that be in or rendered obvious, understanding  
20 that you already ruled on that issue.

21 THE COURT: I think, don't we get back here  
22 and deal with that in the obviousness? If we don't,  
23 we'll add it back there, but I just don't want to  
24 confuse the jury.

25 MR. McDONALD: Understood.

1 THE COURT: Because there are certain  
2 components of the ensuing text that don't relate to  
3 obviousness, the way the instruction has been prepared  
4 from the model instructions and the once you-all  
5 tendered. So I'm trying to keep it all together.

6 Now, you object to "in order to be on sale,  
7 the invention" --

8 MR. McDONALD: No, Your Honor. We'll just  
9 withdraw that objection. We'll leave it in.

10 THE COURT: So you're fine with 35 as it is.

11 You're fine with 35 as it is with your  
12 objection to the whole concept. Is that right,  
13 Mr. Robertson?

14 MR. ROBERTSON: Yes, sir.

15 THE COURT: Okay. 36.

16 MR. ROBERTSON: Your Honor, what we'd like  
17 with respect to this printed publication is to add  
18 just a level of specificity as to what the printed  
19 publications are that the jury should be considering.  
20 And one of the reasons we're pressing that, Your  
21 Honor, is because you will recall there were some  
22 other suggestions with respect to the J-CON system and  
23 the P.O. Writer system that we understand are now not  
24 at issue any longer.

25 And there were questions by the jury with

1 respect to those systems.

2 MR. McDONALD: I don't know if we have to  
3 talk about that. I don't think we have a problem  
4 specifying what we're talking about when we say  
5 "printed publications." We don't dispute that these  
6 two TV/2 documents should be amongst the list. We  
7 would just add a third one, the RIMS brochure.

8 MR. ROBERTSON: Again, Your Honor, we agree  
9 that the TV/2 general information manual and the  
10 brochure should be there. We are in disagreement on  
11 the RIMS brochure.

12 THE COURT: And you disagree why?

13 MR. ROBERTSON: Well, because, first, it  
14 doesn't have a level of specificity that a jury could  
15 find by clear and convincing evidence that it  
16 validates, and there was no expert testimony  
17 whatsoever that would permit the jury to draw that  
18 conclusion under the standard. And we believe the  
19 cases we've cited to you before about the requirement  
20 for expert testimony --

21 THE COURT: KSR?

22 MR. ROBERTSON: That's *Kioto* and *Proveris* and  
23 *Innogenetics*.

24 THE COURT: All right. Well, I thought you  
25 objected to it because there wasn't any factual basis

1 to conclude when it was --

2 MR. ROBERTSON: Well, there's no date on it,  
3 but I will concede it was attached to a trademark  
4 application that has a date.

5 THE COURT: Filed in '92.

6 MR. ROBERTSON: Yes, sir.

7 MR. McDONALD: Filed in April '93. April  
8 '93.

9 MR. ROBERTSON: I think a reasonable  
10 inference could be that it existed in April of 1993.  
11 I won't quibble with that.

12 THE COURT: So what do you want to do? Isn't  
13 this just going to be picked up in you all's  
14 instruction that we contend that this is prior art.  
15 We contend that it's not. It's up to you, the jury,  
16 to decide which it is.

17 MR. ROBERTSON: That's fine, Your Honor. I  
18 think that will be a good place to focus it.

19 THE COURT: The second paragraph you wanted  
20 to take out, but that was basically because you didn't  
21 think there was any evidence on that.

22 Mr. Robertson, I was talking to you. They  
23 don't object to it.

24 MR. ROBERTSON: To taking it out?

25 THE COURT: They don't object to the

1 instruction I'm giving. You want it taken out. Why?

2 What the Sam Hill is going on?

3 MR. ROBERTSON: We can leave it in, Your  
4 Honor.

5 THE COURT: Okay. Come on. Let's go.

6 MR. McDONALD: On the second page, Your  
7 Honor, we've reached agreement that those last two  
8 sentences of the penultimate paragraph on issued  
9 patent is a printed publication. A published patent  
10 application is a printed publication as of its  
11 publication date. We both agree those can be  
12 stricken.

13 THE COURT: I'm taken it out then. Far be it  
14 from me to stand in the way of disagreement.

15 37, any objections to 37?

16 MS. STOLL-DeBELL: We pretty much reached an  
17 agreement on this one, Your Honor.

18 THE COURT: Good.

19 MS. STOLL-DeBELL: And you can actually look  
20 at ePlus' version.

21 THE COURT: Look at ePlus' version.

22 MR. McDONALD: Let's take it from the top.

23 THE COURT: Take out a prior issued patent on  
24 the third line. Do you all agree?

25 MS. STOLL-DeBELL: Yes.

1 THE COURT: All right. And take the second  
2 sentence out, right?

3 MS. STOLL-DeBELL: Yes, Your Honor.

4 THE COURT: It's the second paragraph and the  
5 second sentence. Same thing. The paragraph first,  
6 you-all agree that should come out?

7 MS. STOLL-DeBELL: Yes.

8 THE COURT: All right. And then second comes  
9 out?

10 MS. STOLL-DeBELL: Yes.

11 THE COURT: And then in this case Lawson  
12 relies on the following as a prior art -- as a patent  
13 prior art patent.

14 MS. STOLL-DeBELL: Yes.

15 THE COURT: As a prior art patent to the  
16 patents-in-suit. And that then is Johnson, et al.,  
17 right?

18 MS. STOLL-DeBELL: Yes.

19 THE COURT: And we take out these others.  
20 Okay.

21 In this case, okay, we take out ePlus. We  
22 take out "admits that the King and Dworkin patents are  
23 prior art but it." Okay.

24 All right. That's fine.

25 MR. McDONALD: Your Honor, on that one, I

1 think we should fix title to it as well.

2 THE COURT: We don't have any titles. The  
3 titles are simply for you-all to have something to go  
4 by. The jury's version has the number. It has no  
5 title and it has no footers with authority. They are  
6 just for you and for us to talk about.

7 MS. STOLL-DeBELL: Okay.

8 THE COURT: So the second page is okay of  
9 that.

10 Now we're on obviousness.

11 MR. ROBERTSON: We have number 38 we wanted  
12 to insert the '683 and '516 on the basis of this '172,  
13 but we now agree with the Court's construction based  
14 on the ruling.

15 THE COURT: And your objection there to that  
16 is preserved, I take it; is that what you're saying?

17 MR. ROBERTSON: Yes, sir.

18 THE COURT: So are you in agreement with  
19 No. 38, Lawson?

20 MR. McDONALD: We have no objections to 38.

21 MR. ROBERTSON: Actually, Your Honor, I  
22 should just note for the record, though, on 36, it's  
23 printed publication, we had an objection to that, but  
24 I understand the Court's ruling.

25 THE COURT: All right. 39?

1 MR. ROBERTSON: We have no objections, Your  
2 Honor.

3 MR. McDONALD: No objections, Your Honor.

4 THE COURT: I would say at this point we  
5 would put in either here or someplace we have to put  
6 in what you contend is the prior art. One way to do  
7 it is to say in the front up by anticipation that you  
8 consider it anticipates and they consider it's  
9 disputed. And you have to decide. And then do the  
10 obviousness as a separate one back here if they are  
11 different. And then I'll just stick them in as an (A)  
12 instruction behind whatever instruction they follow.

13 MS. STOLL-DeBELL: Okay.

14 THE COURT: You'll get that to me tomorrow.  
15 Non-pejorative, non-larded up. Okay?

16 MS. STOLL-DeBELL: Okay.

17 THE COURT: 40, any objections?

18 MR. ROBERTSON: No, Your Honor.

19 MR. McDONALD: No, Your Honor.

20 THE COURT: 41?

21 MR. ROBERTSON: No, Your Honor.

22 MR. McDONALD: No objections.

23 THE COURT: 42?

24 MR. ROBERTSON: We both had some changes  
25 here, but I think we worked out most of them.

1 THE COURT: Somebody want to tell me what you  
2 want to do?

3 MR. STRAPP: Your Honor, for paragraph 2  
4 where it starts, "Was there longfelt," the parties  
5 agreed to add in the words after the comma "but  
6 unresolved."

7 MR. ROBERTSON: "Longfelt, but unresolved."

8 THE COURT: Wait a minute. All right.

9 MR. STRAPP: And paragraph No. 6, the parties  
10 agreed to strike after field strict comma or Lawson.

11 THE COURT: What?

12 MR. STRAPP: It should read, "Did others in  
13 the field praise," and then strike "or Lawson."

14 THE COURT: Oh. How did that get in there?

15 MR. STRAPP: And then the last change the  
16 parties agreed to make, if you take a look at ePlus'  
17 red line version, on the next page after the  
18 instruction we added a sentence, the parties agreed  
19 on, that states, "answering any, or all, of these  
20 questions yes may suggest that the claim is not  
21 obvious."

22 THE COURT: Well, you know I think that's  
23 also in the model instruction, but why tell them that?  
24 That's a silly sentence. Why would we do that?

25 MR. ROBERTSON: Your Honor, we withdraw it.

1 THE COURT: What have we been telling them up  
2 to that time? All right.

3 All right 43 is out. Right?

4 MR. STRAPP: Yes, 43 is out.

5 THE COURT: And 44?

6 MR. ROBERTSON: No objection.

7 THE COURT: All right.

8 Does that take care of the instructions? I  
9 need to do the instruction that I'll put in that says  
10 about the advice of counsel. And I read it to you,  
11 and you approved it, but I want to make sure that  
12 you-all agree.

13 MR. McDONALD: I don't think we actually  
14 heard it, Your Honor.

15 THE COURT: Yes, you did. It's in the  
16 record. This one somebody can find. I told you I'm  
17 going to tell the jury this, and I read it to you.

18 Jurors, the other day when Mr. Christopherson  
19 testified, there was some testimony about whether he  
20 or other lay witnesses at Lawson formed a viewpoint  
21 about whether Lawson infringed the patents or whether  
22 Lawson obtained an opinion of counsel of  
23 non-infringement or invalidity of the patents. I  
24 instruct you now that I've excluded all that  
25 testimony, and I'm asking you to disregard it.

1 MR. McDONALD: We do have an objection to a  
2 part of that, and that's the part that would exclude  
3 the lay testimony. We don't think the fact that we  
4 proffered nonprivileged evidence on the issue should  
5 --

6 THE COURT: This is the language that you  
7 proposed. Oh, no. This came from ePlus.

8 MR. McDONALD: Our proposal was to focus on  
9 the opinion of counsel issue and just have the jury  
10 disregard the evidence relating to that issue, but  
11 allow the testimony about the analysis apart from  
12 counsel.

13 So we had proposed jury instruction No. 3  
14 that says, "Lawson had no duty to get an opinion from  
15 counsel on whether or not it infringes ePlus' patents.  
16 Both parties in this case have received advice from  
17 counsel without disclosing that advice to the other  
18 party. This is normal. You may make no  
19 determinations based on the fact that Lawson did not  
20 disclose the opinion it received from its Lawson's to  
21 ePlus. That fact has nothing to do with this case."

22 MR. ROBERTSON: Your Honor, we'd object to  
23 that.

24 THE COURT: I'm not giving that. I'm going  
25 to strike the part that says whether he or other lay

1 witnesses at Lawson formed a viewpoint about whether  
2 Lawson infringed the patents, and it will read, "The  
3 other day Mr. Christopherson testified there was some  
4 testimony about whether Lawson obtained an opinion of  
5 non-infringement or invalidity of the patents. I  
6 instruct you now I've excluded all that testimony and  
7 I'm instructing you to disregard it."

8 MR. McDONALD: Our objection, Your Honor,  
9 just to be clear, is that we do think the jury needs  
10 to be clear that the fact that we didn't produce the  
11 advice shouldn't be held against us in a sense.  
12 That's what we think is missing.

13 MR. ROBERTSON: I think the instruction makes  
14 that clear and is adequate.

15 THE COURT: I'll just add that has nothing do  
16 with the case.

17 All right. And that will be inserted in  
18 instruction number No. 13A.

19 Now, is there anything else I need to go over  
20 here with the instructions?

21 MR. ROBERTSON: Well, Your Honor, we need to  
22 get together and give you a summary of what the prior  
23 art is going to be. I would anticipate we could do  
24 something like Lawson contends that the prior art at  
25 issue is X and ePlus contends the alleged prior art

1 involved is Y.

2 THE COURT: It's up to you to decide these as  
3 a factual matter based on the instruction I give you  
4 on those points, right?

5 MR. ROBERTSON: Right. The other thing we  
6 have, Your Honor --

7 THE COURT: Is that what you're going to  
8 prepare?

9 MS. STOLL-DeBELL: Yes, sir.

10 THE COURT: Where is the first time prior art  
11 is mentioned? Is it the same prior art for  
12 anticipation and obviousness now? Huh?

13 MS. STOLL-DeBELL: Not exactly. The RIMS  
14 stuff is anticipation and obviousness. TV/2 is just  
15 obviousness.

16 THE COURT: Then you need to do one for  
17 anticipation and one for obviousness.

18 MS. STOLL-DeBELL: Okay.

19 THE COURT: All right. Wait just a minute.  
20 Wait just a minute. Let's go back to the one about  
21 scope of the prior art. I don't think that would be  
22 right then if you're right. Back near the back  
23 there's something about scope of the prior art.

24 MR. STRAPP: Your Honor, there's a summary of  
25 invalidity defenses. Maybe it would make sense to put

1 it there.

2 THE COURT: We'll just solve this problem  
3 first.

4 No. 39, the prior art that you considered  
5 previously for anticipation is also prior art for  
6 obviousness. We can't say that then in light of what  
7 Ms. Stoll-DeBell just said, right?

8 MS. STOLL-DeBELL: Right.

9 THE COURT: So this will be replaced by --

10 MS. STOLL-DeBELL: Your Honor --

11 THE COURT: The definition is the same, the  
12 paragraph is the same. Why don't we do this. Why  
13 don't we just have you all prepare Lawson contends  
14 that prior art for obviousness is X. EPlus contends  
15 that prior art for obviousness is Y. It's up to you  
16 to decide what is prior art for obviousness. And  
17 we'll put that in here at No. 39.

18 I'm going to call that new obviousness, which  
19 I hope you'll have over here in the morning.

20 MS. STOLL-DeBELL: Okay.

21 THE COURT: All right?

22 MS. STOLL-DeBELL: Yes.

23 THE COURT: All right. And then back at  
24 instruction No. 30. After No. 30, it will be 30A, and  
25 you will say, Lawson contends that prior art for

1 anticipation purposes is X. EPlus contends that it is  
2 Y, and it's up to you to decide.

3 MR. ROBERTSON: Just for the record, Your  
4 Honor, I understand your ruling on the '989 patent and  
5 the JMOL is going to be granted, so, obviously, that  
6 would be over our objection with respect to that  
7 patent.

8 We don't have an allegation as to what the  
9 prior art is.

10 THE COURT: Just say ePlus disagrees that any  
11 of this is prior art. The logical extension of what I  
12 said is if I were negotiating with the other side  
13 would be to say, ePlus contends that none of this is  
14 prior art. If you don't agree with any of it, that's  
15 the only way you can articulate it, right?

16 MR. ROBERTSON: Yes, Your Honor.

17 THE COURT: Okay. Those two things I will  
18 expect over. That's a 30A and a new whatever it was.

19 MR. McDONALD: 39.

20 THE COURT: 39. Okay.

21 Now, is there any other instruction I need to  
22 deal with?

23 MR. ROBERTSON: Your Honor, we wanted to  
24 press again our request that there be instruction that  
25 demonstratives are not evidence. We think,

1 particularly in a patent case, it can be very  
2 confusing for a jury when they see a lot of documents  
3 that can constitute evidence such as evidence produced  
4 by the parties --

5 THE COURT: I agree that that's an  
6 appropriate instruction. I have a substantial  
7 disagreement with your fundamental theory. When you  
8 try cases the way you tried them and you use these  
9 demonstratives as the vehicle for presenting complex  
10 testimony and bullet pointing it, the jury inevitably  
11 is going to come back and say I'd like to have it.  
12 And I think you ought to give it to them because  
13 you're going to use it. You've used it in the  
14 testimony. You've used it in the argument. And you  
15 have to agree on what you're going to give to them.  
16 But you have an absolute right to be told that the  
17 demonstratives are not exhibits and can't be  
18 considered. And you have an absolute right to keep  
19 the demonstratives -- there actually is a case about  
20 whether demonstratives go back to the jury. And I  
21 think the case is *United States v. Johnson*, and an  
22 immanent jurist dissented in the case while he was  
23 sitting on the Fourth Circuit. And I can't remember  
24 which way it went, in any event, I felt that's a help,  
25 but that's something you-all can do only if you agree

1 to it.

2 You had things with Dr. Shamos that  
3 illustrated very well what your theories were. And  
4 remember what you're asking them to take care of, to  
5 think about, and to keep track of.

6 And you had things that explained very well  
7 what your theories were. And I am not trying the case  
8 for either one of you, but if you want the  
9 instruction, I will give an instruction.

10 MR. ROBERTSON: We had an agreed instruction  
11 on it.

12 THE COURT: Can I have it? You're not taking  
13 the wise advice of an old man. I can see that right  
14 now.

15 MR. ROBERTSON: I'd like to hand this up to  
16 the Court because this was our agreed instruction.  
17 I'd like to think about it a little bit. Quite  
18 frankly, if I wanted to concede anything, Your Honor,  
19 it would be that we got out-demonstrated in this  
20 case, and I'm a little concerned that some of the  
21 demonstratives, for example, with Dr. Shamos were sort  
22 of like a written brief summarizing arguments, and I  
23 am reluctant to send something like that back to the  
24 jury.

25 THE COURT: Look, that's a decision that

1 trial lawyers make in their tactical decisions, and  
2 you-all can do that if you want. All I intended to  
3 say was if you-all are in agreement and want to do it,  
4 we'll craft an instruction and do it. But it's up to  
5 you. If you feel like you have been  
6 out-demonstrated, I wouldn't think about agreeing to  
7 that. It would be crazy.

8 All right let's see. You-all agree on this  
9 text?

10 MR. McDONALD: I didn't read it over in  
11 detail, but if it say "demonstratives" --

12 THE COURT: Let me read it to you.

13 "Certain demonstratives exhibits have been  
14 shown to you in the course of the trial. Those  
15 demonstrative exhibits are used for convenience and to  
16 help explain the facts in the case. They are not  
17 themselves evidence or proof of any facts. If they  
18 don't correctly reflect the facts shown by the  
19 evidence in the case, you should disregard the  
20 demonstratives and determine the facts" -- I just  
21 think I'd take that sentence out. Just say, "They are  
22 not themselves evidence or proof of any facts,"  
23 period. Won't that solve it?

24 MR. McDONALD: That works for us without the  
25 last sentence.

1 MR. ROBERTSON: That's fine.

2 THE COURT: Okay. All right. And we'll make  
3 that jury instruction number -- this will be  
4 instruction No. 14A. Okay?

5 Now, you-all have handed me other things, and  
6 I don't purport to have been a good housekeeper up  
7 here. I just want to make sure we don't have anything  
8 else you-all need me to deal with by way of  
9 instructions.

10 We have a verdict form to deal with. We're  
11 going to take a break in a minute.

12 MR. ROBERTSON: Your Honor, we do have this  
13 issue about whether or not the '989 was considered by  
14 the examiner, and we've argued that this morning. We  
15 have proffered authority. Lawson's proffered  
16 authority. We did propose an instruction on it.

17 THE COURT: I'm sure I have it up here among  
18 these things. Do you have an extra copy I can look  
19 at?

20 MR. ROBERTSON: This is my only copy, but you  
21 can look at it.

22 THE COURT: Any objection to that? To the  
23 substance of it as opposed to the giving of it?

24 MR. SCHULTZ: Your Honor, just for  
25 clarifying, are you referring to ePlus instruction 42?

1 THE COURT: 42, plaintiff's proposed  
2 instruction, prior art considered by the examiner. I  
3 understand your position that you think that it's not  
4 even prior art. I disagree with that, and I think the  
5 cases that were cited -- I think if you read the  
6 manual as a whole, and what do you call it, the MPEP  
7 as a whole, it is clear that the disclosure made in  
8 this case in this patent can be considered as having  
9 been considered as prior art on the facts of this  
10 case, and the objection that you've made to striking  
11 it -- I guess you made a request to strike it, didn't  
12 you?

13 MR. SCHULTZ: Yes, sir, with respect to  
14 instruction No. 42, I am.

15 THE COURT: I think that's the ruling in the  
16 *Gould* case and the --

17 MR. ROBERTSON: *Eastman Kodak*?

18 THE COURT: *Polaroid v. Eastman Kodak*,  
19 *Indiana Mills*, and the manual taken as a whole teach  
20 that that's the applicable rule.

21 So now that being the case, what do we do  
22 about instructing it? Why does it come up? Why does  
23 it come up at all if nobody argues it?

24 Suppose I just say you can't make the  
25 argument that it's not prior art or wasn't considered?

1 Because there really isn't any evidence on that except  
2 what appears in the file folder, and the guy actually  
3 wrote something in the file folder about the matter.

4 So how do you propose that we deal with it  
5 now we're at this point on the law, Mr. Schultz?

6 MR. SCHULTZ: We also submitted an  
7 instruction on this matter, Your Honor, and it's in  
8 our proposed instruction, the red line version you  
9 have there.

10 THE COURT: Which one is it?

11 MR. SCHULTZ: Lawson proposed jury  
12 instruction No. 1.

13 THE COURT: I don't have it.

14 MR. SCHULTZ: Your Honor, it's actually  
15 No. 2.

16 THE COURT: I start with 8.

17 MR. SCHULTZ: It's at the back, Your Honor.

18 THE COURT: Oh, it's at the back. Excuse me.  
19 Three.

20 MR. SCHULTZ: It's No. 2. So Lawson proposed  
21 jury instruction No. 2.

22 THE COURT: Two. Okay. The face of any  
23 patent issued by the United States Patent and  
24 Trademark Office list of references that are cited to  
25 the Patent and Trademark Office under the heading

1 "References cited." This list includes all the  
2 references the examiner considered as prior art when  
3 determining whether to grant a patent to the claimed  
4 subject matter.

5 Okay. I can't give that given the ruling of  
6 law that I've made. So what about the one that they  
7 gave?

8 MR. SCHULTZ: Your Honor, I think Plaintiff's  
9 Proposed Instruction No. 42 would be very highly  
10 prejudicial to Lawson.

11 THE COURT: Let's get down to where the  
12 rubber meets the road. Why are we going to have this  
13 issue argued to the jury at all now? Why does that  
14 even come in and, therefore, why do we need to  
15 instruct, Mr. Robertson?

16 MR. ROBERTSON: If the defendant doesn't  
17 argue it, I don't think we need an instruction. But  
18 I've asked counsel --

19 THE COURT: Given the ruling of law that I've  
20 made, how can you argue it?

21 MR. McDONALD: I guess given your ruling,  
22 Your Honor, I understand we can't argue it. So if we  
23 can't argue it, I don't see the need for that  
24 instruction.

25 THE COURT: There's no need for an

1 instruction, do you agree?

2 MR. McDONALD: That's right. I understand  
3 the ruling specific to the RIMS patent, the '989  
4 patent. The RIMS brochure, for example, that wasn't  
5 disclosed to the Patent Office. I assume we could  
6 talk about that.

7 THE COURT: Absolutely.

8 MR. ROBERTSON: My colleagues reminded me  
9 throughout the case --

10 THE COURT: But you can't do it by saying it  
11 has to be in those lists.

12 MR. McDONALD: Okay.

13 THE COURT: Because that would then implicate  
14 the effect of the '989 that was disclosed. You just  
15 have to figure out a way to do it and say --

16 MR. McDONALD: That's not inconsistent with  
17 your ruling.

18 THE COURT: Yes.

19 MR. McDONALD: I understand.

20 MR. ROBERTSON: Given Your Honor's ruling as  
21 to what the state of the law is, we can certainly  
22 argue that it was considered since it's cited  
23 throughout the patent 59 times and listed as  
24 incorporated by reference.

25 THE COURT: Why is that an issue?

1 MR. ROBERTSON: Because the presumption of  
2 validity attaches there and also because --

3 THE COURT: Well, I'm going to tell them the  
4 presumption -- let me tell you something. Don't be  
5 outthinking owls now about whether or not -- because  
6 could you open up a door that doesn't need to be  
7 opened up. I think it's a neutral factor here in this  
8 case.

9 MR. ROBERTSON: I think Dr. Shamos was asked  
10 whether or not it was considered by the Patent Office.  
11 So I think there's been testimony in the case that it  
12 wasn't considered.

13 THE COURT: I think I said he couldn't  
14 testify to that. Go back and check it because I do  
15 remember that in cross-examination, I believe, of one  
16 witness there was the file wrapper was an exhibit, and  
17 there was the question, Well, now look at this. And  
18 he had marked through the application number and  
19 written in the patent number. And I'm not sure what  
20 came of all of that.

21 MR. ROBERTSON: We'll go back and check, Your  
22 Honor.

23 THE COURT: All right. But if you're going  
24 to argue that, you look at what I ruled and whether it  
25 came in. I think I precluded him from testifying

1 about it.

2 MR. McDONALD: We don't think it should be at  
3 issue, and we'll stir clear of it. I understand your  
4 ruling and we'll argue it consistent with that and any  
5 instruction we think would be prejudicial, especially  
6 in view of what's going on with the reexaminations in  
7 the case.

8 THE COURT: Is there any issue that you think  
9 isn't impacted by the reexaminations?

10 MR. McDONALD: Those reexams are looking  
11 pretty good right now.

12 THE COURT: I'm sure they are. See what  
13 happens when you kind of zing those little zingers in?  
14 It doesn't have anything to do with what I'm doing on  
15 a particular issue.

16 Do you have some issue that I need to  
17 actually confront with respect to the reexaminations  
18 that, in fact, I haven't already ruled on?

19 MR. McDONALD: No. The issue is whether they  
20 are going to be able to argue it in closing arguments  
21 that the Patent Office did consider the '989 patent,  
22 and I'm saying that on specific issue I think you're  
23 saying we shouldn't be talking about it anyway.

24 Maybe I'm kicking a sleeping dog here. I'm  
25 not sure, but I think if you allowed them to go there,

1 and I can't talk about it, but they can go there on  
2 that, that's going to be prejudicial to me anyway, but  
3 it's going to be especially prejudicial and unfair in  
4 view of what's going on in the reexams.

5 MR. ROBERTSON: The reexams aren't in  
6 evidence. The patent is in evidence. And Your Honor  
7 made a ruling of law that said consistent with all  
8 those other cases and the MPEP, that it must be  
9 considered by the examiner.

10 THE COURT: No, that it's there to be  
11 considered as prior art by the examiner. There's a  
12 big difference. I'm not going to say that the  
13 examiner considered it. I don't know whether he did  
14 or not.

15 If I were the finder of the fact, I would  
16 find from the law that he could consider it, and that,  
17 in fact, it was considered. But my question is: How  
18 does that issue come up with respect to what they have  
19 to decide? Is there an issue that they actually have  
20 to decide with respect to what was considered by the  
21 Patent Office now?

22 MR. McDONALD: The context, I guess, really  
23 is the burden we have is clear and convincing evidence  
24 either way, and some people might say that shifts  
25 because if you assume that the examiner saw the prior,

1 art, that might make the burden higher or lower.  
2 That's one of these patent lawyer debates on the head  
3 of a pin.

4 THE COURT: I agree it's how many angels can  
5 stand on a head of a pin, and I never have been good  
6 about deciding that issue.

7 All right. Now, so there are no other  
8 instructions at this time. Are you going to get those  
9 over to me first thing in the morning?

10 MS. STOLL-DeBELL: Email them?

11 THE COURT: You can email them to  
12 Ms. Haggard. She will get them taken care of for me.

13 MR. ROBERTSON: Your Honor, we did have that  
14 curative instruction with respect to Dr. Shamos' slide  
15 that had the Court's claim constructions in it. I  
16 proposed that if the defendant was not going to use  
17 those in closing arguments, then we don't need a  
18 curative instruction, but I don't think we resolved  
19 that.

20 MR. McDONALD: I asked for a copy of what  
21 slides they were talking about.

22 THE COURT: That was the last topic I  
23 heard -- discussion I heard on the topic was Mr.  
24 McDonald requested what is it you're talking about,  
25 and I think that's a reasonable thing.

1           MR. ROBERTSON: I apologize. I will get that  
2 to you.

3           THE COURT: Get it to him, and we'll deal  
4 with that.

5           All right. Now, we have a verdict form. So  
6 we're going to take a break.

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8           (Recess taken.)

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